

# Jollibee.

## COVER SHEET

**JOLLIBEE FOODS CORPORATION**  
(Company's Full Name)

**10/F Jollibee Plaza Building**  
**Emerald Avenue, Pasig City**  
(Company's Address)

**(632) 634-1111**  
Telephone Number

**December 31**  
(Fiscal Year Ending)

**Any day in the month of June**  
(Annual Meeting)

**SEC Form 17-C**  
**Revised Stock Option Plan Rules**

(Form Type)

\_\_\_\_\_  
Amendment Designation (If applicable)

\_\_\_\_\_  
(Secondary License Type and File Number)

\_\_\_\_\_  
Cashier

\_\_\_\_\_  
LCU

\_\_\_\_\_  
DTU

**77487**  
S.E.C REG. No.

\_\_\_\_\_  
Central Receiving Unit

\_\_\_\_\_  
File Number

\_\_\_\_\_  
Document I.D.



**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT PURSUANT TO SECTION 17 OF THE  
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER**

1. Date of Report **31 January 2013**
2. Commission identification number **77487**
3. BIR Tax Identification No. **000-388-771**
4. **JOLLIBEE FOODS CORPORATION**  
Exact name of registrant as specified in its charter
5. **PHILIPPINES**  
Province, country or other jurisdiction of incorporation or organization
6. Industry classification code XXXXXXXXXX (SEC Use Only)
7. **10/F JOLLIBEE PLAZA BUILDING, EMERALD AVENUE,  
PASIG CITY**  
Address of registrant's principal office  
  
**1600**  
Postal Code
8. **(632) 634-1111**  
Registrant's telephone number, including area code
9. **N/A**  
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	1,045,571,753
Treasury Shares:	
Common	16,447,340

*Note: Total outstanding common shares inclusive of 125,000 shares subject for listing. These represent shares purchased by employee/s in connection with JFC's Management Stock Option Plan (MSOP). It also includes 1,248,938 MSOP shares exercised by employee participants, to be deducted from the 1,500,000 MSOP shares (per PSE disclosure No. WLIST\_2012000003918 dated March 8, 2012) lodged with Deutsche Regis Partner's Inc. last March 8, 2012 and 685,765 ELTIP shares exercised by employee participants, to be deducted from the 1,400,000 shares (per PSE Disclosure No. WLIST\_2012000011273 dated July 9, 2012) lodged also with Deutsche Regis Partner's Inc. on July 9, 2012.*

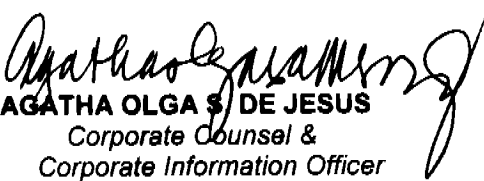
11. Other Events

Please see attached submissions on the Amended Plan Rules of the Company's Senior Management Stock Option and Incentive Plan

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**JOLLIBEE FOODS CORPORATION**  
Registrant

  
**AGATHA OLGA S. DE JESUS**  
Corporate Counsel &  
Corporate Information Officer

# Jollibee.

January 18, 2013

**Securities and Exchange Commission**  
SEC Building, EDSA, Greenhills,  
Mandaluyong City, Metro Manila

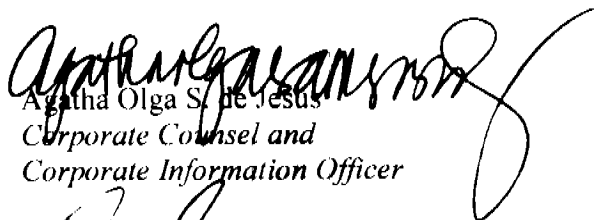
**Attention:**                    **Director Justina F. Callangan**  
*Corporate Finance Department*

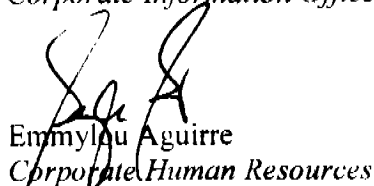
Dear Director Callangan:

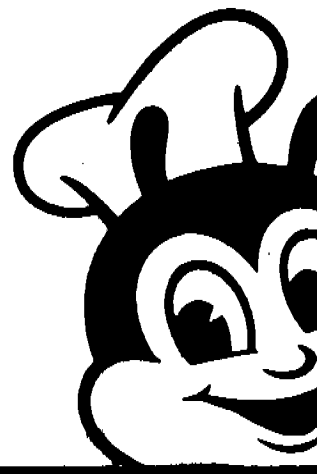
Jollibee Foods Corporation respectfully submits a copy of the Amended Plan Rules of the Company's Senior Management Stock Option and Incentive Plan (the "Revised Rules"). A copy of the Secretary's Certificate confirming the adoption of the said Revised Rules by the Compensation Committee of the Board of Directors of the Company is attached for your reference. This also confirms that optionees are provided with notices of grant and the procedure for the exercise of their option under the Revised Rules.

We trust that everything is in order. Thank you for your attention.

Very truly yours,

  
Agatha Olga S. de Jesus  
*Corporate Counsel and  
Corporate Information Officer*

  
Emmylou Aguirre  
*Corporate Human Resources*



**SECRETARY'S CERTIFICATE**

I, **WILLIAM TAN UNTIONG**, Filipino, of legal age and with office address at the 10<sup>th</sup> Floor, Jollibee Plaza Bldg., Emerald Avenue, Pasig City, being the appointed Corporate Secretary of **JOLLIBEE FOODS CORPORATION** (the "Corporation"), a corporation duly organized and existing under Philippine law, with business address at the 10<sup>th</sup> Floor, Jollibee Plaza Bldg., Emerald Avenue, Pasig City, hereby certify on behalf of the Corporation that:

1. The Compensation Committee of the Board of Directors of the Corporation is duly authorized to "promulgate, amend, modify and rescind rules and regulations relating to the implementation, administration and maintenance of the Senior Management Stock Option and Incentive Plan (hereinafter, the "Stock Option Plan") as stated in subparagraph 1.2 of paragraph 3 of the Stock Option Plan.
2. The Compensation Committee of the Board of Directors duly approved the proposed revisions to the Stock Option Plan on October 19, 2012. A copy of the revised Stock Option Plan is attached hereto as Annex A (with revisions underscored for easy reference).
3. The foregoing statements are true and correct and in accordance with the records of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand this JAN 30 2013 at Pasig City.

  
**WILLIAM TAN UNTIONG**  
Corporate Secretary

REPUBLIC OF THE PHILIPPINES )  
CITY OF PASIG ) S.S.

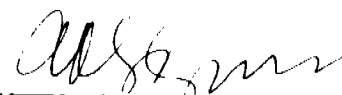
BEFORE ME, a Notary Public in and for the city named above, personally appeared:

<u>Name</u>	<u>Valid ID</u>	<u>Date/Place of Issue</u>
William Tan Untiong	SSS ID No. 03-3257541-8 CTC No. 11190078	02-09-12/Pasig City

who is personally known to me to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this JAN 30 2013

Doc. No. 215;  
Page No. 4;  
Book No. 9;  
Series of 2013.

  
**ATTY. AGATHA OLGA S. DE JESUS**  
NOTARY PUBLIC  
Until December 31, 2013  
PTR No. 8410638 / Pasig City / January 2, 2013  
IBP No. 914022 / RSM Chapter / January 3, 2013  
Roll No. 50929  
MCLE No. IV - 0094625 / Feb. 21, 2012

**JOLLIBEE FOODS CORPORATION**  
**SENIOR MANAGEMENT STOCKS OPTION AND INCENTIVE PLAN**  
Amended Plan Rules (2012)

**1. DESCRIPTION OF PROGRAM AND PURPOSE**

This Senior Management Stock Option and Incentive Plan ("Plan") has been established by Jollibee Foods Corporation ("Company") to encourage increased proprietary interest in the Company and to provide incentives for long-term performance for (a) selected key members of management of the Company and certain subsidiaries and (b) Designated Affiliated Entities.

The Plan is divided into two (2) Programs, namely, the Management Stocks Option Program ("MSOP") and the Executive Long-Term Incentive Program ("ELTIP").

The MSOP is designed to achieve the following objectives:

- Provide a yearly stock option grant program based on complement the participant's annual total cash compensation
- Alignment of participant's interest with those of shareholders

The ELTIP is designed to achieve the following objectives:

- Provide stock ownership as an incentive, that will reinforce entrepreneurial and long-term ownership behavior for the participants
- Provide a program that rewards superior performance in achieving medium to long-term goals

**2. DEFINITION OF TERMS**

In this Plan, the following terms have the following meanings:

- a. **Board** – the Board of Directors of the Company
- b. **Chowking** – means Chowking Foods Corporation
- c. **Company** – Jollibee Foods Corporation
- d. **Committee** – the Compensation Committee created by the Board as defined in 3.1
- e. **Designated Consultants** – any individual who has rendered technical or management consultancy services to the Jollibee Group and whom the Board of Directors of the Company designates as such for the purpose of this Plan.
- f. **Director** – a member of the Board of Directors of the Company
- g. **Disability** – as determined by the Committee in accordance with standards and procedures similar to those under the Company's long-term disability plan. Disability shall mean the inability of a participant, as determined by the Committee, substantially to perform such Participant's regular duties and responsibilities due to a medically determinable physical or mental illness which has lasted for a period of six (6) consecutive months.
- h. **Eligible Participant** an individual eligible to be granted Stock Options under the MSOP or Stock Incentives under the ELTIP
- i. **ELTIP Entitlement Date** – the date when the ELTIP Participant is granted the offer to earn the ELTIP Incentives, as defined in Section 4.2.2

- j. **ELTIP Exercise Period** – the five-year period beginning in the Grant Date during which the ELTIP Participant may purchase Shares corresponding to the vested ELTIP Incentives at the given Exercise Price, as defined in Section 4.2.5
- k. **ELTIP Grant Date** – the date on which an ELTIP Participant achieves the Hurdle Rate and Personal Goals within the Hurdle Period and earns the ELTIP Incentives, as defined in the Section 4.2.3
- l. **ELTIP Incentive** – the stock Incentives offered under the ELTIP
- m. **ELTIP Participant** – an individual eligible to be granted ELTIP Incentives under the ELTIP as defined in the Section 4.2.1
- n. **Exercise Price** – in respect of a Stock Option/Incentive, means the price designated by the Company at which the Participant may purchase a Share
- o. **ELTIP Vesting Date** – each of the first, second and third year anniversary dates of Grant Date on which the ELTIP Incentives accrue at a rate of one-third per year, as defined in the Section 4.2.4
- p. **Greenwich** – means Greenwich Pizza Corporation
- q. **Hurdle Period** – the period set by the Company and Committee at which the Hurdle Rate and Personal Goals must be achieved to earn the ELTIP Incentives and Trigger the ELTIP Grant Date, as defined in the Section 4.2.2
- r. **Hurdle Rate** – the medium to long-term goals set by the Committee to be achieved by the ELTIP Participants in order to earn the ELTIP Incentives, as defined in the Section 4.2.2
- s. **Incentive Cycle** – in respect of the ELTIP, means the period commencing on the ELTIP Entitlement Date and ending on the last day of the ELTIP Exercise Period
- t. **Incentive Holder** – an Eligible Participant who is granted and accepts Stock Incentives under the ELTIP
- u. **Jollibee Group** – the Company and its Subsidiaries
- v. **MSOP Exercise Period** – the seven-year period beginning on the first year from the Grant Date during which the MSOP Participant may purchase Shares corresponding to the vested MSOP Options at the given Exercise Price, as defined in Section 4.1.4
- w. **MSOP Grant Date** – the date when MSOP Participant is granted the MSOP Options, as defined in Section 4.1.2
- x. **MSOP Option** – the Stock Options offered under the MSOP
- y. **MSOP Participant** – an individual eligible to be granted MSOP Options under the MSOP as defined under Section 4.1.1
- z. **MSOP Vesting Date** – the first, second and third year anniversary dates of Grant Date on which the MSOP Options accrue at a rate of one-third per year, as defined in Section 4.1.3
- aa. **Notice of Entitlement to Earn ELTIP Incentives** – the written notice of entitlement to earn ELTIP Incentives distributed by the Committee to ELTIP Participants as described in Section 4.2.2

- bb. **Notice of MSOP Option Grant** – the written notice distributed by the Committee to MSOP Participants as described in 4.1.2
- cc. **Option Cycle** – in respect of the MSOP, means the period commencing on the MSOP Grant Date and ending on the last day of the MSOP Exercise Period
- dd. **Option Holder** – an Eligible Participant who is granted and accepts Stock Options under the MSOP
- ee. **Personal Goals** – the individual objectives set by the ELTIP Participants for their respective operating units or work areas that will contribute to the medium to long-term goals, as defined in Section 4.2.2
- ff. **Plan** – refers to the Senior Management Stock Option and Incentive Plan, as amended
- gg. **Program** – refers to either the MSOP and the ELTIP of the Plan and **Programs** refers collectively to the MSOP and the ELTIP
- hh. **PSE** – The Philippine Stock Exchange, Inc.
- ii. **Resignation** – a voluntary act by the Eligible Participant to cease, for any reason, (i) employment or membership in the relevant executive committee or management committee of the Company or the Subsidiaries, as the case may be, or (ii) provision of contracted services, in the case of a Designated Consultant
- jj. **Retirement** – (i) in the case of members of the executive committee and management committees, retirement from employment with the Company and its Subsidiaries on or after the retirement date(s) specified in the Company's qualified retirement plans or such earlier date as approved in writing by the Committee for the purposes of this Plan, as involuntary retirement; or (ii) in the case of Designated Consultants, expiration of the relevant contract for consulting services
- kk. **Shareholder(s)** – owners of record of Shares of the Company
- ll. **Shares** – common shares of stock of the Company and in case of any declassification of the shares of the Company, the common shares or any subsequent classification thereof comprising the authorized capital stock of the Company
- mm. **Strategic Business Unit or SBU** – the subsidiaries the Company is operating under among others, the brand names Chowking, Red Ribbon, Greenwich and Yong He King and such other brands as the Company may acquire in the future
- nn. **Stock Incentive** – refers to the ELTIP Incentive granting the holder thereof the right to subscribe to Shares under the terms and conditions of the Plan
- oo. **Stock Option** – refers to the MSOP Option granting the holder thereof the right to subscribe to Shares under the terms and conditions of the Plan
- pp. **Subsidiary (ies)** – any corporation at least fifty percent (50%) of the voting stock of which is effectively owned by the Company
- qq. **Terminated Participant** – Any Eligible Participant whose participation in the Plan has ceased due to or by reason of Resignation/ Termination, as described in Section 6.1, or Retirement and Disability, as described in Section 6.2, or Death, as described in Section 6.3



- rr. **Termination – separation** from the Company or its Subsidiaries: (a) due to authorized or just causes under the Labor Code or under the Company's or its Subsidiaries' Code of Conduct or (b) termination by the Company of the services of a Designated Consultant

### **3. ADMINISTRATION OF THE PLAN**

- 3.1 **The Compensation Committee.** The Plan shall be administered by the Compensation Committee composed of three (3) members appointed by and subject to guidelines set forth by the Board. The Committee shall be chaired by the Company's Vice-President for Corporate Human Resources. A majority of the members of the Committee shall constitute a quorum for the transaction of business. Any act or acts approved in writing by all of the members of the Committee then serving shall be the act or acts of the Committee (as if taken by unanimous vote at a meeting of the Committee duly called and held).
- 3.2 **Plan Administration and Plan Rules.** The Committee is authorized to construe and interpret the Plan and to promulgate, amend, modify and rescind rules and regulations relating to the implementation, administration and maintenance of the Plan. Subject to the terms and conditions of the Plan, the Committee shall make all determinations necessary or advisable for the implementation, administration and maintenance of the Plan, including, without limitation, (a) coverage and eligibility of the Plan's Eligible Participants, (b) granting Stock Options/Incentives in such amounts and form as the Committee shall determine, (c) imposing such restrictions, terms and conditions upon such Stock Options/Incentives as the Committee shall deem appropriate, and (d) correcting any defect or omission, or reconciling and inconsistency, in the Plan. The Committee may designate persons other than members of the Committee to carry out the day-to-day administration of the Plan under such conditions and limitations as it may prescribe, except that the Committee shall not delegate its authority with regard to eligibility for participation in the Plan and/or the granting of any Stock Options/Incentives to Eligible Participants. Any determination, decision or action of the Committee in connection with the construction, interpretation, administration, implementation or maintenance of the Plan may be appealed to the Board and the Board's decision shall be final, conclusive and binding upon all Eligible Participants and any person(s) claiming under or through any Eligible Participants. The Company shall effect the determination made by the Committee, by execution of written agreements and/or instruments in such forms as may be required by the Committee.
- 3.3 **Chief Executive Officer.** The Chief Executive Officer may recommend exemptions from plan rules for the Compensation Committee's approval

### **4. FEATURES OF THE PROGRAMS**

#### **4.1 The MSOP Program**

- 4.1.1. **MSOP Participants** – MSOP Options shall be granted to Eligible Participants identified by the Committee from any of the following:
  - (a) Members of the executive committee of the Jollibee Group, composed of the Chairman of Jollibee Foods Corporation, the SBU Heads, The Vice President for Corporate Human Resources, Vice President for Corporate Finance; and Vice President for Research and Development or such other members as may be appointed in the executive committee by the Jollibee Group;
  - (b) Members of the management committee or key talents of Jollibee Group of Companies, and,
  - (c) Designated Consultants
- 4.1.2. **Grant of MSOP Options** – The Committee shall grant MSOP Options to a MSOP Participant on a date to be determined by the Committee for a particular Option Cycle ("MSOP Grant Date").

All MSOP Participants shall receive a Notice of MSOP Option Grant indicating the following:

- (a) Number of MSOP Options granted as determined by the Committee

(b) MSOP Grant Date

(c) Vesting and exercise schedule including the applicable MSOP/ Vesting Dates, MSOP Exercise Period, The first day of the MSOP Exercise Period and the last day of the MSOP Exercise Period

(d) Exercise price

The receipt of the Notice of MSOP Option Grant is not, and shall not, be construed as an exercise of the MSOP Options. A MSOP Participant deciding to exercise the MSOP Options must submit a written notice to the Committee specifying the number of Stock Options to be exercised and delivering payment for the Stock Options to the Company.

The grant of MSOP Options shall in no case be construed as a continuing obligation on the part of the Company to grant or a continuing entitlement on the part of the MSOP Participant to receive MSOP Options in any succeeding years or Option Cycles.

Neither should any grant of the MSOP Options be construed as a guarantee of employment or engagement of services or continuing employment or engagement benefit in favor of any Eligible Participant.

4.1.3. **MSOP Vesting Date** – Once granted, the MSOP Options shall vest at the rate of one-third (1/3) of the total MSOP Options granted on each anniversary of the MSOP Grant Date for the next three (3) years.

4.1.4. **MSOP Exercise Period** – Vested MSOP Options may be exercised for a period of seven (7) years, beginning on the first year from the MSOP Grant Date; provided that, for the ninth MSOP Option Cycle, the exercise period shall commence on July 1, 2013 and end on June 30, 2020. Only vested MSOP Options may be exercised during the Exercise Period.

All MSOP Options that remain unexercised as of 5:00 pm: (a) on June 30, 2020, in respect of the ninth MSOP Option Cycle and (b) on the seventh anniversary of the Grant Date, in respect of any succeeding Option Cycles, shall forthwith lapse and shall be deemed forfeited. In such case, the Company shall not be liable to issue or deliver the Shares pertaining to any such unexercised MSOP Options.

4.1.5. **MSOP Options Grant, Vesting and Exercise Schedule** – For the avoidance of doubt, the MSOP Option grant, vesting and exercise schedule for each Option Cycle is illustrated as follows (dates are applicable for the first MSOP Option Cycle only):

	MSOP Grant Date	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
		Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period
	<u>1-Jul-12</u>	<u>1-Jul-13</u>	<u>1-Jul-14</u>	<u>1-Jul-15</u>	<u>1-Jul-16</u>	<u>1-Jul-17</u>	<u>1-Jul-18</u>	<u>1-Jul-19</u>
Vesting		33.40%	66.70%	100%				
Exercise		33.40%	66.70%	100%	100%	100%	100%	100%

**Note: One (1) year refers to a 12 month-period from Grant Date.**

4.1.6. **Modes of Exercise of MSOP Options** – The holder of MSOP Options may exercise such MSOP Options through any one of the following modes

(a) Exercise and Hold

Under this mode, the holder of the MSOP Options shall purchase the Shares underlying the MSOP Options in his name. In which case, the Committee shall cause the Company to issue the Shares to such exercising holder corresponding of the MSOP Options, the Company shall cease to be liable to the exercising holder for such exercised MSOP Options; or

(b) Exercise and Sell

Under this mode, the holder shall cause the Company to sell the Shares in the PSE at a price to be designated by such holder and receive the proceeds of the sale of such Shares, net of the Exercise Price, applicable taxes, broker's commission and any other costs and expenses of the sale. Upon sale of the Shares on the PSE by the Company at the price indicated by the holder of the MSOP Options and delivery of the net proceeds of such sale by the Company to such holder, the Company shall cease to be liable to the holder of such exercised MSOP Options.

Any costs to be incurred in issuing the Shares to the holder of the MSOP Options shall be borne by the Company while costs related to the sale of the Participant's shares on the PSE shall be borne by the MSOP Participant.

4.1.7. **Procedure for Exercise of MSOP Options** – During the Exercise Period, the holder of the MSOP Options may wholly or partially exercise the MSOP Options by delivering to the Committee:

- (a) the duly accomplished, signed and irrevocable Exercise Notice specifying the number of MSOP Options to be exercised and the mode of exercise the MSOP Options to the Committee;
- (b) the payment of the applicable Exercise Price, in the event the holder chooses the Exercise and Hold mode provided in Section 4.1.6 (a);
- (c) the indication in the Exercise Notice of the purchase price at which the holder decides to sell his Shares, in the event the holder chooses the Exercise and Sell mode provided in Section 4.1.6 (b).

4.1.8. **MSOP Exercise Price** – The Committee shall determine the MSOP Exercise Price for each MSOP Option Cycle. For the ninth MSOP Option Cycle, the exercise price is set at P107.90 per share.

4.2. **The ELTIP Program**

4.2.1. **ELTIP Participants** – ELTIP Incentives shall be granted to Eligible Participants as may be identified by the Committee from any of the following:

- (a) Members of the executive committee of the Jollibee group, composed of the Chairman of Jollibee Foods Corporation, the SBU Heads, The Vice President for Corporate Human Resources, Vice President for Corporate Finance; and Vice President for Research and Development or such other members as may be appointed in the executive committee by the Jollibee Group; and
- (b) Designated Consultants

4.2.2. **Entitlement to Earn ELTIP Incentives** – On a date designated by the Committee (“ELTIP Entitlement Date”), the Committee shall identify the ELTIP Participants who will be entitled to earn a specified number of ELTIP Incentives at a specified Entitlement Price. The ELTIP stock option will be earned upon achievement of the Company medium to long term hurdle rate (“Hurdle Rate”) and the Personal Goals within a period to be set also by the Committee (“Hurdle Period”), subject to the following:

- (a) The Employee's Personal Goals shall serve as the gate which opens the Entitlement to the ELTIP Incentives. Achieving the Personal Goals entitles the Participants to be eligible for the ELTIP Incentives.

- (b) The Company medium to long term Hurdle Rate is based on the targeted percentage in annual earnings per share and ELTIP incentives will be earned and granted as follows:

<u>% Growth in annual earnings per share</u>	<u>% of Options to be granted</u>
<u>12% and up</u>	<u>100% of options</u>
<u>10% to less than 12%</u>	<u>50% of options</u>
<u>8% to less than 10%</u>	<u>25% of options</u>

- (c) In the event that the Company achieves the minimum Hurdle Rate and the individuals Personal Goals on or prior to the last day of the Hurdle Period, then the ELTIP Incentives shall be earned, granted and one third shall vest on the designated ELTIP Grant Date.
- (d) In the event that the Corporation fails to achieve the minimum Hurdle Rate by the last day of the Hurdle Period, then no ELTIP Incentives shall be earned, granted and vested.
- (e) In the event that the Company achieves the minimum Hurdle Rate prior to the last day of the Hurdle Period but the individual fails to accomplish the ELTIP Participant's Personal Goals, then the ELTIP Participant shall not earn any ELTIP Incentives.

All ELTIP Participants shall receive a Notice of Entitlement to Earn ELTIP Incentives indicating the following:

- (a) Number of ELTIP Incentives that may be earned
- (b) Hurdle Rate and personal goals
- (c) Entitlement Date
- (d) Grant/Earning, Vesting and Exercise Schedule including the applicable ELTIP Grant Date, ELTIP Vesting Dates, ELTIP Exercise Period, the first day of the Exercise Period and the last day of the Exercise Period
- (e) Exercise Price

The receipt of the Notice of Entitlement to Earn ELTIP Incentive is not, and shall not, to be construed a grant of the ELTIP Incentives.

- 4.2.3. **Grant of ELTIP Incentives** – The Committee shall grant ELTIP Incentives to ELTIP Participants that have earned ELTIP Incentives on a date designated by the Committee (“ELTIP Grant Date”). Subject to the provisions of Section 4.2.1 hereof, all ELTIP Participant shall receive a Notice of ELTIP Incentive Grant indicating the following:

- (a) Confirmation of achievement of Hurdle Rate and personal goals
- (b) Number of ELTIP Incentives granted as determined by the Committee
- (c) ELTIP Grant Date
- (d) Vesting and exercise schedule including the earliest and latest dates

(e) Exercise price

The receipt of the Notice of ELTIP Incentives Grant is not, and shall not, to be construed as an exercise of the ELTIP Incentives. The ELTIP Participants deciding to exercise the ELTIP Incentives must submit to the Committee a duly accomplished Exercise Form, to be obtained from the Committee.

The grant of ELTIP Incentives is not, and shall not, to be construed as a continuing obligation on the part of the Company to grant or a continuing entitlement on the part of the ELTIP Participant to receive ELTIP Incentives in any succeeding years or Incentive Cycles.

Neither should any grant of the ELTIP Incentives be construed as a guarantee of employment or engagement of services benefit in favor of any Eligible Participant.

4.2.4. **ELTIP Vesting Date** – On ELTIP Grant Date, the first one-third (1/3) of the ELTIP Incentives shall vest. The second and third portions shall vest on the second year anniversary and third year anniversary, respectively, from ELTIP Grant Date.

4.2.5. **ELTIP Exercise Period** – The vested ELTIP Incentives may be exercised over a period of five (5) years beginning on the ELTIP Grant Date; provided that for the third ELTIP Incentives Cycle, the exercise period shall commence on May 1, 2015 and end on April 30, 2020. Only vested ELTIP Incentives may be exercised during the Exercise Period.

All ELTIP Incentives that remain unexercised as of 5:00 pm: (a) on April 30, 2020, in respect of the third ELTIP Incentive Cycle and (b) on the fifth anniversary of the Grant Date, in respect of any succeeding Incentive Cycles, shall forthwith lapse and shall be deemed forfeited. In such case, the company shall not be liable to issue or deliver the Shares pertaining to any such unexercised ELTIP Incentives.

4.2.6. **ELTIP Incentives Entitlement, Grant/Earning, Vesting and Exercise Schedule** – For the avoidance of doubt, the ELTIP Incentive Cycle is illustrated as follows (dates are applicable for the first ELTIP Incentive Cycle only):

	ELTIP Entitlement Date (EED)	Hurdle Period	ELTIP Grant/Earning Date				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period
	19-Oct-12	1-Jan-12 to 31-Dec-14	1-May-15	1-May-16	1-May-17	1-May-18	1-May-19
<b>Earning</b>			100%				
<b>Vesting</b>			33.40%	66.70%	100%		
<b>Exercise</b>			33.40%	66.70%	100%	100%	100%

Note: One (1) year refers to a 12 month-period from Grant/Earning Date.

4.2.7. **Modes of Exercise of ELTIP Incentives** – The holder of ELTIP Incentives may exercise such ELTIP Incentives by indicating one of the following modes in the written notice of exercise to the Company:

(a) **Exercise and Hold**

Under this mode, the holder of the ELTIP Incentives shall purchase the Shares underlying the ELTIP Incentives in his name. In which case, the Committee shall cause the Company to issue the Shares in favor of the exercising holder corresponding to exercised ELTIP Incentives. Upon issuance of the Shares to the holder of the ELTIP Incentives, the Company shall cease to be liable to the exercising holder for such exercised ELTIP Incentives; or

(b) **Exercise and Sell**

Under this mode, the holder shall cause the Company to sell the Shares in the PSE at a price to be designated by such holder and receive the proceeds of the sale of such Shares, net of the Exercise Price, applicable taxes, broker's commission and any other costs and expenses of the sale. Upon sale of the Shares on the PSE by the Company at the price indicated by the holder of the ELTIP Incentives and delivery of the net proceeds of such sale by the Company to such holder, the Company shall cease to be liable to the exercising holder for such exercised ELTIP Incentives.

Any costs to be incurred in issuing the Shares to the holder of the ELTIP Incentives shall be borne by the Company while costs related to the sale of the Participant's shares on the PSE shall be borne by the ELTIP Participant.

4.2.8. **Procedure for Exercise of ELTIP Incentives** – During the Exercise Period, the holder of the ELTIP Incentives may wholly or partially exercise the ELTIP Incentives by delivering to the Committee:

- (a) the duly accomplished, signed and irrevocable Exercise Notice specifying the number of ELTIP Incentives to be exercised and the mode of exercise the ELTIP Incentives to the Committee;
- (b) the payment of the applicable Exercise Price, in the event the holder chooses the Exercise and Hold mode provided in Section 4.2.7 (a);
- (c) the indication in the Exercise Notice of the purchase price at which the holder decides to sell his Shares, in the event the holder chooses the Exercise and Sell mode provided in Section 4.2.7 (b).

4.2.9. **ELTIP Exercise Price** – The Committee shall determine the ELTIP Incentive Cycle. For the ninth ELTIP Incentive Cycle, the exercise price is set at P105.00 per Share.

4.3. **Maximum Number of Shares.** The maximum number of Shares in respect of which Stock Options/Incentives may be granted under this Plan shall not exceed the equivalent of two percent (2%) of the issued and outstanding capital stock of the Company per year.

4.4. **Changes in Common Stocks.** In the events of merger, consolidation, reorganization, re-capitalization, reclassification of stock, stock dividend, stock split, change in par value or other change in corporate structure or capitalization affecting the Company's Shares, the proper adjustments shall be made to the amount of Shares covered by the Stock Options/Incentives which have been granted, and other price per Share of the Stock Options/Incentives.

## 5. TAXES

All taxes, including income tax and transaction tax, due on the Options/ Incentives granted, vested and exercised shall be for the account of the Participants. The Company shall be bound to withhold any tax payment that is lawfully required to be withheld by the employer.

## 6. TERMINATION OF EMPLOYMENT

6.1. **Resignation/Termination.** Excepts as otherwise herein provided, should an Eligible Participant's employment or contract for services cease by reason of Resignation or Termination during any particular Option/Incentive Cycle, all Stock Options/Incentives which have not been vested as of the

date of Resignation or Termination shall immediately revert to the Company. All the rights of the said Eligible Participant over such Stock Options/Incentives which have not been vested shall likewise cease. Nevertheless, such Eligible Participant shall be entitled to all Stock Options/Incentives which, as of the date of Resignation or Termination, have been vested. Provided, that the Eligible Participant must exercise all vested Stock Options/Incentives within thirty (30) days from the date of Resignation or Termination; provided further, that such Stock Options/Incentives may, at the discretion of the Company, be used to settle any outstanding liability or other obligation of the Eligible Participant, whose employment or contract of services has ceased, to the Company or any of its Subsidiaries.

6.2. **Retirement.** Should an Eligible Participant's employment or contract for services cease by reason of Retirement during any particular Options/Incentive Cycle, all the Stock Options/Incentives which have not been vested shall immediately revert to the Company. All the rights of the said Eligible Participant over such Stock Options/Incentives, which have not been vested shall likewise cease. Nevertheless, such Eligible Participants shall be entitled to all Stock Options/Incentives which, as of the date of Retirement, have been vested; provided, that the Eligible Participant must exercise all vested Stock Options/Incentives not later than the last day of the Exercise Period of the relevant MSOP Option Cycle and/or ELTIP Incentive Cycle: provided further, that such Stock Options/Incentives may, at the discretion of the Company, be used to settle any outstanding liability or other obligation of the Eligible Participant whose employment has ceased to the Company or any of its Subsidiaries.

6.3. **Death or Permanent Disability.** In case of death or permanent disability of the Eligible Participant, all Stock Options/Incentives that have not yet vested at the time of death or permanent disability shall be deemed vested; provided that all vested Stock Options/Incentives and deemed vested Stock Options/Incentives must be exercised not later than the last day of the Exercise Period of the relevant MSOP Stock Option Cycle and/or ELTIP Incentive Cycle. The vested Stock Options/Incentives and deemed Stock Options/Incentives may be exercised by:

1. If there is a judicial settlement of estate, the court appointed executor or administrator; or
2. If there is extra-judicial settlement of estate, the heirs authorized under the duly executed extra-judicial settlement.

6.4. **No Exercise.** Under no circumstances shall any vested Stock Options/Incentives be exercisable after the periods for exercise specified in Section 4.1.4, 4.1.5, 4.2.5 and 4.2.6 hereof.

## 7. NON-TRANSFERABILITY OF AWARDS

No Notice of Entitlement to Earn, Notice of Stock Option/Incentive Grant or Stock Options/Incentives under the Plan and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, pledged, disposed of or otherwise encumbered by an Eligible Participant or his heirs. Except as allowed by law no such interest shall be subject to seizure for the payment of the debts, liabilities, judgments of the Eligible Participant (or any beneficiary) or be transferable in the event of the latter's bankruptcy or insolvency. During the lifetime of the Eligible Participant, Stock Options/Incentives are exercisable only by the Eligible Participant.

## 8. RANKING OF SHARES

The Shares to be issued and allotted upon the exercise of an option shall rank *pari passu* in all respect with the then existing issued and outstanding Shares of the Company, and will be subject to all the provisions of the Articles of Incorporation and By-laws of the Company then in effect.

## 9. DISPUTES

Any dispute arising under this Plan may be referred to the Board who in turn may retain a competent, one or more disinterested third parties who shall act as experts and not as arbitrators. The Board's decision shall be final and binding.

## 10. SUSPENSION, TERMINATION, OR AMENDMENT OF THE PLAN

- 10.1 **Suspension and/or Termination.** Upon the recommendation of the Committee, the Board may, at any time, suspend or terminate this Plan. All Stock Options/Incentives that have not been vested as of the date of suspension or termination of the Plan, shall immediately revert to the Company. All Stock Options/Incentives that have vested but not have been exercised as of the date of the suspension or termination of this Plan, may be exercised by the Eligible Participant for a period not to exceed three (3) months after such suspension or termination. The Eligible Participant shall be entitled to all fully paid shares and dividends (including interest income earned) accrued on such fully paid shares.
- 10.2 **Amendment.** The Board may in its discretion amend or modify the Plan or any provision thereof provided any such amendment shall not prejudice any rights already vested or any privilege already exercised.

## 11. MISCELLANEOUS

- 11.1 **No Right to Employment.** Neither the adoption of the Plan, granting of any agreement, shall confer upon any employee of the Company or any Subsidiary any right to continued employment with the Company or any Subsidiary, as the case may be, nor shall it interfere in any way with the right, if any, of the Company or any Subsidiary to terminate the employment of any employee at any time for any reason.
- 11.2 **Unfunded Plan.** The Plan shall be unfunded and the Company shall not be required to segregate any assets in connection with any benefits under the Plan. Any liability of the Company shall be based solely upon the contractual obligations that may be created as a result of the Plan or any corresponding agreement. No such obligation of the Company shall be deemed to be secured by any pledge of, encumbrance on, or other interest in, any property or asset of the Company or any Subsidiary. Nothing contained in the Plan or any Notice of Entitlement to Earn ELTIP Incentives or Notice of Grant Stock Option shall be construed as creating in respect of any Eligible Participant (or beneficiary thereof or any other person) any equity or other interest of any kind in any asset of the Company or any Subsidiary or creating a trust of any kind or a fiduciary relationship of any kind between the Company, any Subsidiary and/or any such Participant, any beneficiary or any other person.
- 11.3 **Administrative Cost.** The Company shall bear the costs of establishing maintaining and administering this plan.
- 11.4 **Other Company Benefit and Compensation Programs.** Payments and other benefits received by an Eligible participant pursuant to the Plan shall not be deemed a part of an Eligible Participant's compensation for the purposes of the determination of the benefits under any other employee welfare or benefit plans or arrangements, if any, provided by the Company or any Subsidiary unless expressly provided in such other plans or arrangements, or except where the Board expressly determines in the writing that inclusion of a Notice of Entitlement to Earn ELTIP Incentives or Notice of Grant Stock Option should be included to accurately reflect competitive annual base salary or other cash compensation. Notice of Entitlement to Earn ELTIP Incentives or Notice of Grant Stock Option under the Plan may be in addition to, in combination with, or as alternatives to, grants, awards or payments under any other plans or arrangements of the Company or its Subsidiary may adopt such other compensation plans or programs and additional compensation arrangement as it deems necessary to attract, retain and motivate employees.
- 11.5 **Leaves of Absence/Transfer.** The Committee shall have the power to promulgate rules and regulation and to make determinations, as it deems appropriate, under the Plan in respect of any leave of absence from the Company or any Subsidiary grant to an Eligible Participant. If a participant transfers within the Company, or to or from the Subsidiary, such Eligible participant shall not be deemed to have terminated employment as a result of such transfer.



**11.6 Dissolution.** In the event the shareholder of the Company pass a resolution for the voluntary dissolution of the Company prior to the expiry of the Stock Options/Incentives, a holder of Stock Options/Incentives may, by notice in writing and within three (3) months after the resolutions duly passed, elect to be treated as if his Stock Options/Incentives had been exercised in full before the resolution, and will qualify to receive in respect of the Shares which are the subject of such election reduced by the Exercise Price which would otherwise have been payable in respect thereof.

**11.7 Governing Laws.** The Plan and all the actions taken there under shall be governed by and construed in accordance with the laws of the Republic of the Philippines, without regard to principles of conflict of laws. Any titles and headings herein are for reference purposes only, and shall in no way limit, define or otherwise affect the meaning, construction or interpretation of any provisions of the Plan.

**11.8 Date of Approval.** The Board of Directors of unanimously approved the amendment on the Plan on **19 October 2012.**

**APPROVED BY:**

**ATTESTED By:**

**TONY TAN CAKTIONG**  
Chairman / President

**WILLIAM TAN UNTIONG**  
Corporate Secretary

-----Nothing Follows-----